



MEMORANDUM

To: Members of the House Health Policy Committee

From: Wendy Block, Michigan Chamber of Commerce *WB*

Date: June 16, 2009

Re: Michigan Chamber Opposes Mental Health Mandate (HBs 4597-4600)

This memorandum is to express the Michigan Chamber's opposition to legislation to mandate that job providers with 50 or fewer employees provide the same level of insurance coverage for mental health and substance abuse services as they do for all other medical benefits (HBs 4597-4600).

The Michigan Chamber has a long-standing policy against all health care mandates. There are several reasons why the Chamber takes this position. The first is the direct cost impact mandates have on job providers, especially small employers. Unlike self-insured companies who are exempt from state regulation, small businesses absorb the full cost of each new state mandate. These are often the same businesses that are struggling to pay for health care coverage for their employees as they face premium increases of 10% or more per year. Adding another mandated benefit to the mandates already on the books will cause health care costs to rise even further, thereby forcing more employers to curtail health care benefits and resulting in fewer Michigan residents having any health insurance at all.

A second reason for the Chamber's opposition to health care mandates is our commitment to the free market. Businesses should be able to decide what diseases, medical conditions and other benefits they include in their health insurance coverage. They know best what they can afford and should have a broad range of options to "tailor" a health insurance plan to the characteristics of their workforce. Why should businesses be forced to pay for a benefit that is not likely to be utilized by their employees or pay the cost of covering a condition(s) that prices them out of the insurance market?

Finally, we are opposed because mandated benefits are a slippery slope. Today it is mental health and substance abuse "parity", last week it was autism, and several years ago it was diabetes. Each of these issues may seem meritorious on its own, but when laws cover some diseases and conditions, what precedent does this set for others? The cost of each mandate may appear small by itself -- but where does one draw the line and who will pay for the added costs?

The Michigan Chamber opposes all health care mandates and makes no attempt to distinguish or compare medical conditions for the purpose of deciding what should or should not be a part of a health insurance benefit package. Our state and federal lawmakers need to do everything they can to reduce the cost of health care. With the number of uninsured climbing, piling on more government-imposed health care mandates is the wrong answer at the wrong time.

Please do not hesitate to contact me at (517)371-7678 if you have any questions.